



# 2019 Financial Plan



# Presentation Outline

- Budget Highlights
- Mill Rate Comparison
- Tax Result Comparison



# Budget Highlights

- 2019 is the first year of the Grant In Lieu reduction from Vale.
- Due to the reduction, coupled with contractual increases (Hydro, RCMP, CBA increases, etc) , Council was faced with a 15.33% increase to taxes
- Through the budget process, Council looked at ways to reduce this increase



# Budget Highlights

- Net residential property increase is 1.97% and Commercial increase 1.58%
  - City of Thompson Mill rate increase by 4% from 2018
  - Provincial ESL remained at 2018 levels, and SDML decreased .4% from 2018
- Special levy decreased by \$39.54 decreasing the impact to approximately 1% for an average residential home owner

\* 2018 Inflation rate was 2.1%





# Budget Highlights

- Closure of the Norplex Pool in 2019, did not provide significant reductions to the budget.
  - Pool manager reassigned to Asset Management strategy
  - Mold and asbestos inventory required by province on all City Buildings
  - Part time janitorial budget reassigned to TRCC until pool reopens
  - Junior Clerk position reassigned to replace vacant City Hall Reception until pool reopens
  - Closure activities completed by part time and full time staff
  - Staff reassigned to look at ways to provide alternate programming



# Revenues - Highlights

- Section 164(3) of the Municipal Act states that the financial plan must include a balanced budget
- 2019 is not a reassessment year



# Revenues - Highlights

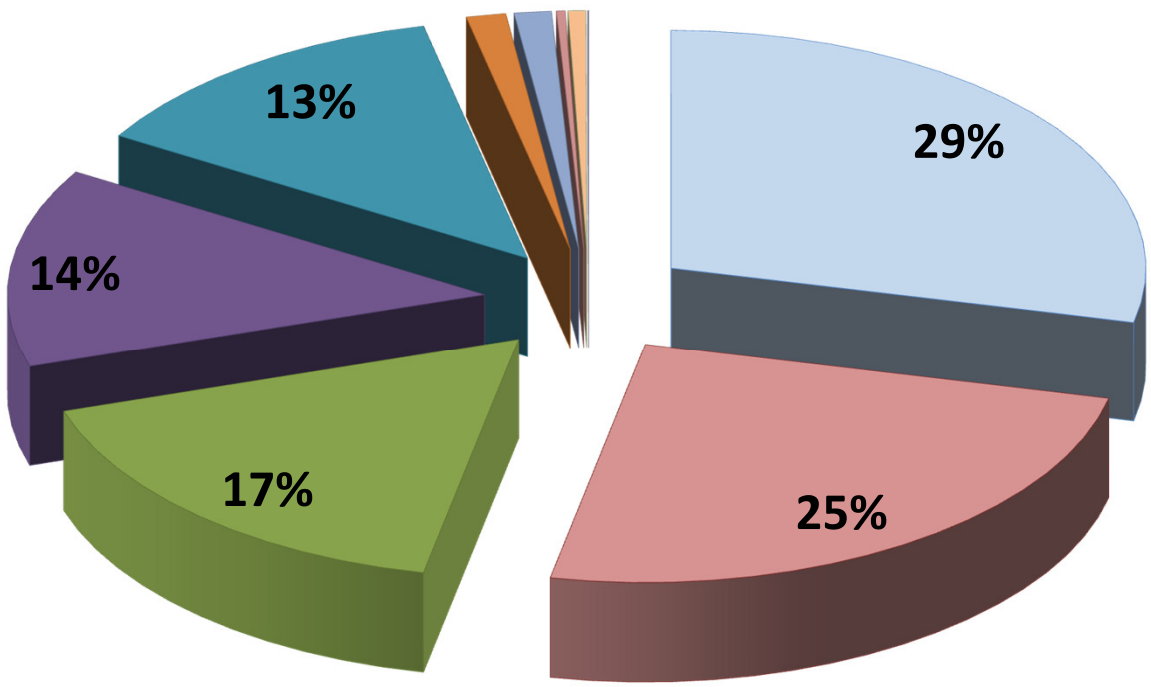
- Fees & Fines increased by 1.9%, consistent with the 2018 tax increase
- Provincial grants will not increase for 2019 (frozen at 2016 levels) .
- Additional basket funding of \$246,000 announced, replacing the previous \$400,000 Municipal Road Grant received
- Gas tax funding receiving a one time doubling (\$742,472 additional funding)



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# City of Thompson Revenues

Total Revenue- \$34,794,721



- Tax Levies (29%)
- Transfers (25%)
- Provincial/ Federal Grants (17%)
- Grant In Lieu (14%)
- Sale of goods & services (13%)
- Licenses, permits and fines (1%)
- Rentals (1%)
- Taxes Added (0%)
- Penalties (1%)
- Return on investment (<1%)



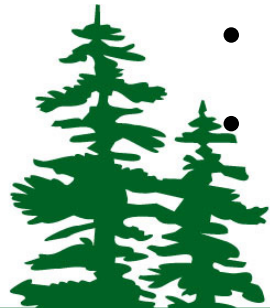


# Transfers (25%)

- Accounts for the transfers from the reserves:
  - To fund capital projects (subject to parameters set by Council)

Gas Tax Reserve	Equipment Reserve	Public Safety Reserve
Infrastructure Reserve	Building Reserve	

- Election
  - Affordable housing initiatives
  - Landfill Reserves
- Accommodation tax (\$500K)
- Transfer of \$3,478,034 from General Reserve to reduce WWTP debenture



# Provincial/ Federal Grants (19% of Revenues)

Operating		Capital	
Basket Funding *	2,669,041	Gas Tax*	1,484,944
Firefighter Grant	328,600	Additional Basket Funding	246,000
MLLC CSO Grant	15,000	Total capital	<u>\$1,730,944</u>
Cultural Grant	9,200		
Ambulance Grant	198,749		
Total Operating	<u>\$3,370,590</u>		

\* Amounts based on census numbers (one time doubling of gas tax for 2019)



# Sales of Goods and Services (13%)

- Includes:
  - Ambulance Revenue (\$2.4M)
  - Garbage Pick-up, Landfill fees (\$943K)
  - Custom Work, Transit (\$201K)
  - Recreation revenues (\$594K- TRCC including arenas, Fitness Area and outside rentals)



# Licenses, Permits and Fines (1%)

Includes:

- ~\$45,000 in business licenses (approximately 250 licenses annually)
- ~\$12,500 in animal licenses
- ~\$225,000 in building inspections (including plumbing, etc.)
- ~\$125,000 in by-law and traffic fines
- Other small licenses and taxi transfers are included here



# Rentals (1%)

Rentals mainly includes RCMP rentals

- 25 year lease agreement
- Receive rental revenue from the Rural RCMP for their proportionate share of the public safety building costs
- Includes an additional amount for 2019 for the provincial prisoners in the Public Safety Building



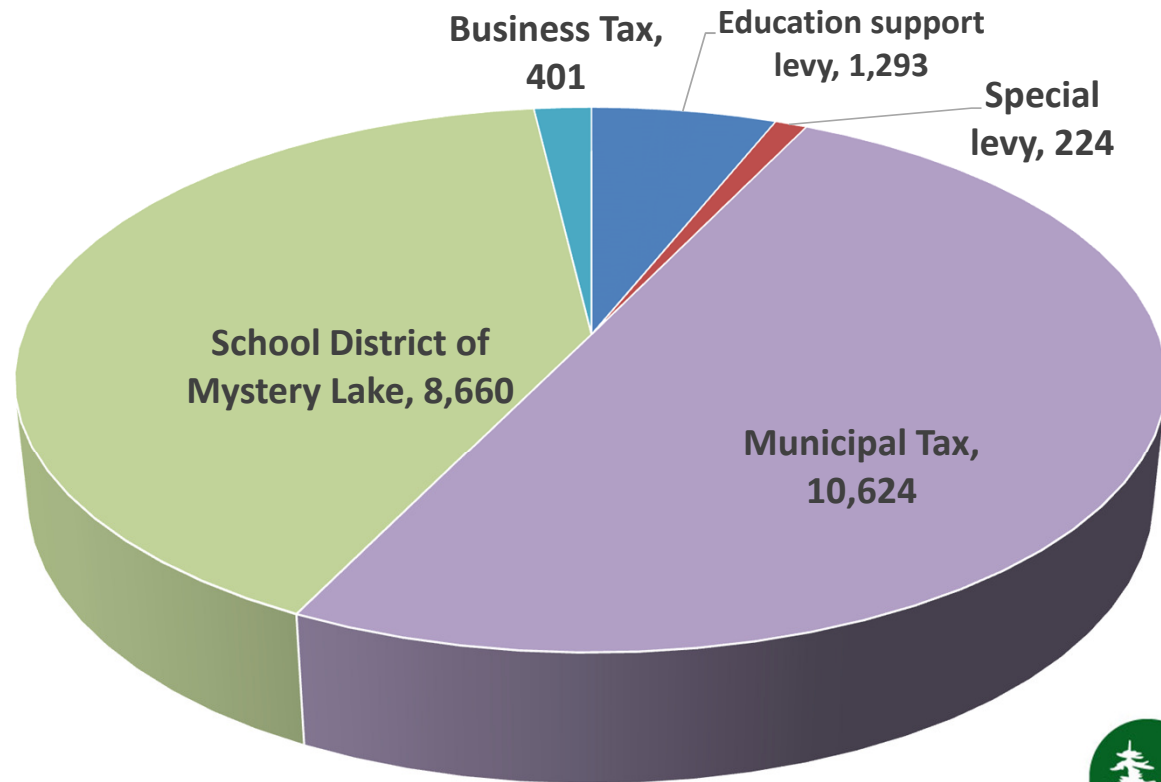
# Taxes Added and Penalties

- Taxes added (\$100,000)
  - Results from changes in assessments during the year (buildings completed or updated, etc.)
- Penalties (\$203,000)
  - Monthly amount of 1.25% on outstanding taxes





# 2019 Property Taxes- Thousands



# Accommodation Tax

- The City budgeted \$500,000 in revenue from the Hotel Accommodation Tax.
- In 2017, Council met with the hoteliers that collect the accommodation tax to review the allocation for the revenues.
- Council directive to the Hotel Agency to use the previous year's surplus to fund 2019 operations (\$400,000 of funding provided in 2018)



# Accommodation Tax

- The Hotel Accommodation Tax By-Law has been amended to allow Council to decide through resolution where the annual funding will be allocated between the following reserves:
  - Infrastructure Reserve (2019 70%)
  - Public Safety Reserve (2019 20%)
  - Affordable Housing Reserve (2019 10%)



# Accommodation Tax- Projects Funded

Infrastructure Reserve	Public Safety Reserve	Affordable Housing Reserve	Economic Development/ Tourism
<b>2019</b>			
Replacement of Heating System- CH, Small Capital, Splash Pad, Library heating	Fire Hall Heaters, Emergency Operations Center	Homeless Shelter, Thompson Housing Agency	
<b>2018</b>			
City Hall Air Conditioning, Public Works building ventilation and overhead doors	5 SCBA's, Gear Washing Machine, Waterslide platform	Homeless Shelter	Thompson Hotel Association
Small Capital, Alarm Panel, Signage, Handivan, Underfloor heating TRCC		Thompson Housing Agency	



# Expenses- Highlights

- Status quo budget- only contractual increases included (RCMP contract, hydro, caretaking, CBA increases, etc.)
- Full year Community safety officer budget included for 4 members due to elimination of provincial funding of \$150,000 (2018- 6 members budgeted)
- In addition to expense reduction initiatives from 2018, additional reductions have been implemented for 2019
- Total expense reduction **\$1,057,042**



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# 2019 Expenses Reduction

- Position reduction (vacant positions)
  - Project Specialist
  - Public Safety Manager
  - RCMP Clerk
  - Labourer
- Reduction of 1/3 of remaining PW seasonal hours and all of remaining Recreation Seasonal workers



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# 2019 Expenses Reduction

- Elimination of holiday gifts
- Elimination of Downtown improvement budget
- Reduction of City Clothing budget
- Reduction of professional fees
- Recreation reductions- MB Games Budget, Nickel Days, Festive Decorations, 2 special events, Concerts in the park, arts program, Outdoor skating rink hours, millennium trail
- Reduce development legal fees, economic development expenses and engineering services

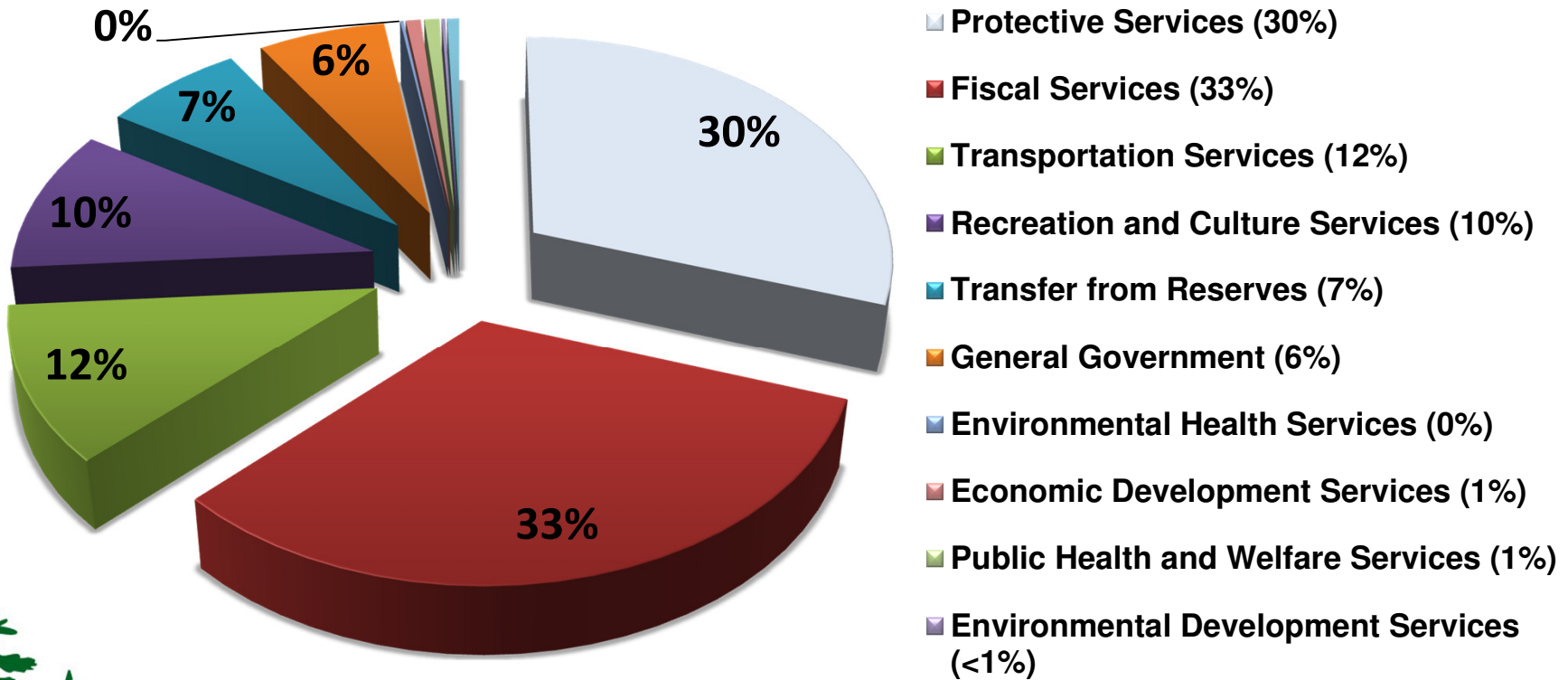


# 2018 Expenses Reduction- Continued for 2019

- Reduction of seasonal and summer students by 50%
- Reduction in controlled entity funding
- Elimination of the summer day camps at the TRCC
- Reduction of hours at TRCC front desk
- Reduction in waiving of fees
- Eliminate 1 outdoor area attendant
- Reduction of admin training
- Eliminate all meals at meetings
- Reduce taxes to landfill



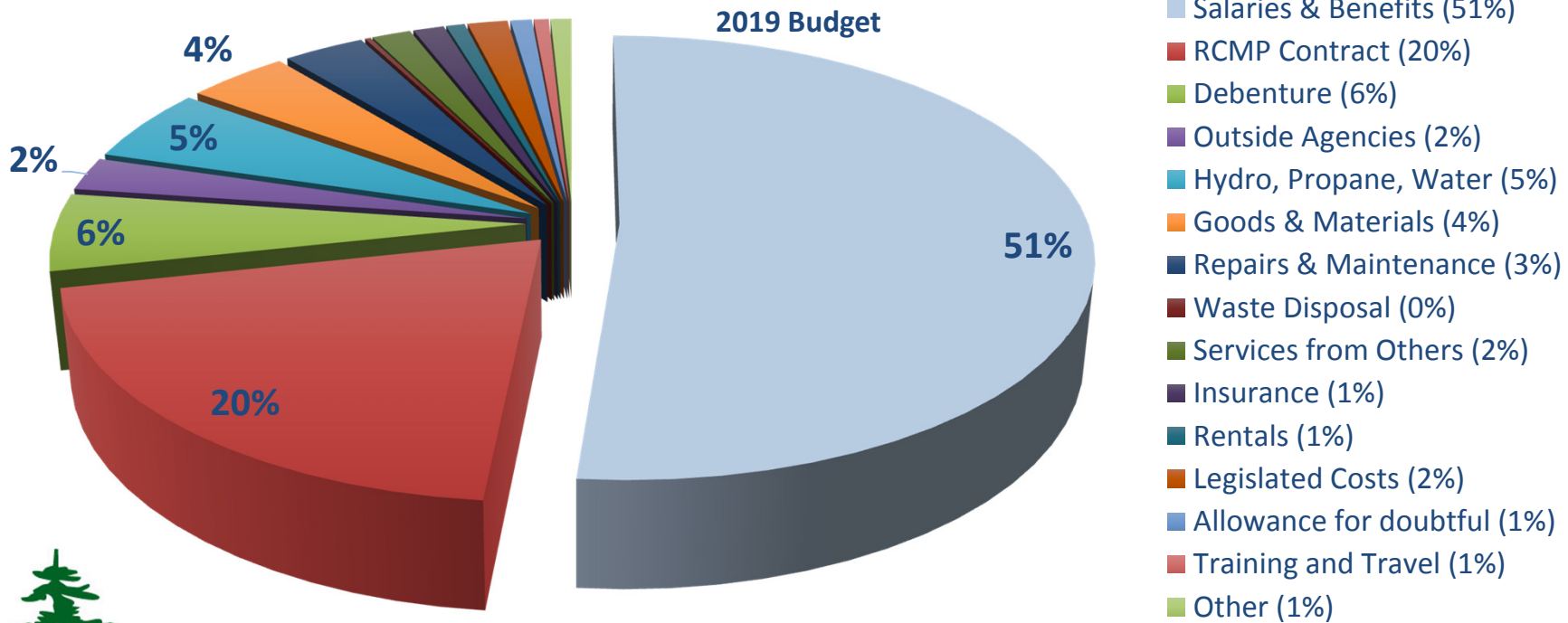
# City of Thompson 2019 Expenses



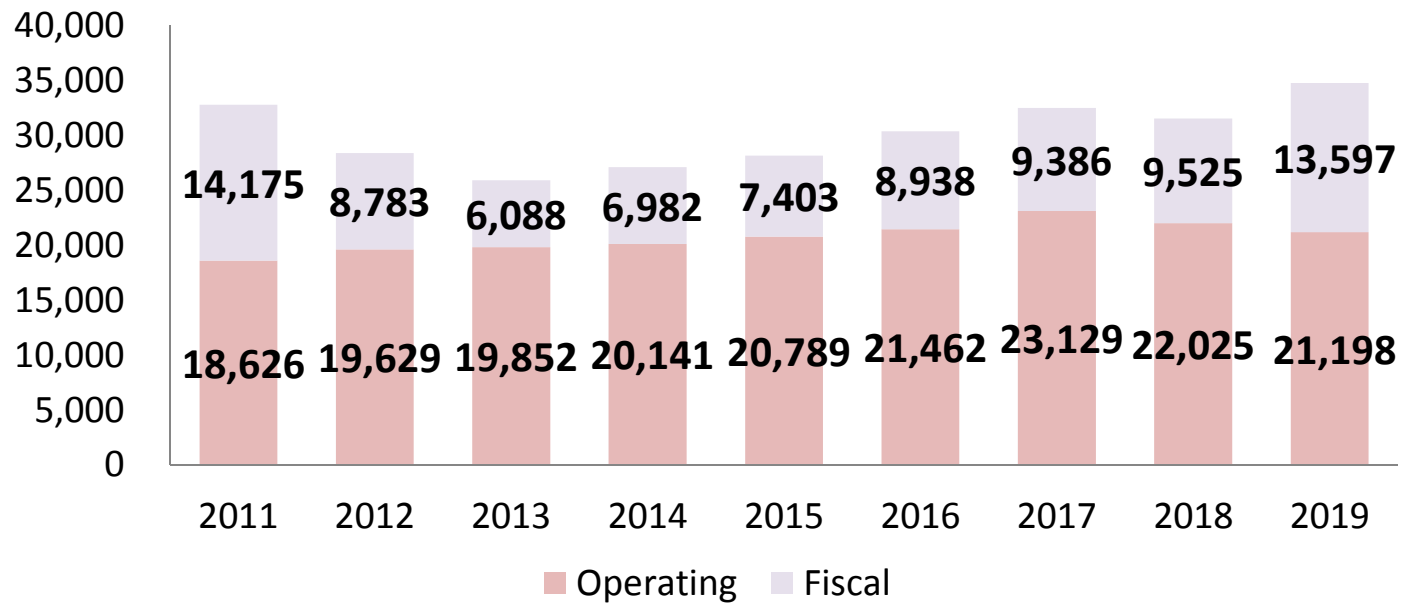
**Total Expense \$34,794,721**



# 2019 Budget Costs by Category



# Year-Over-Year Summary- Thousands

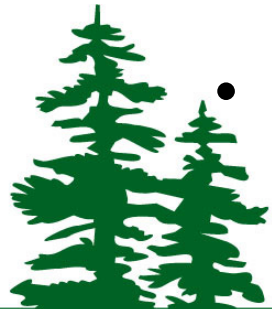


\*2019 fiscal includes WWTP transfer (\$3.478M) to reduce debenture



# Debentures

- The City has an available borrowing limit of \$33.4M
- The new Waste Water Treatment Plant requires debenture room of \$12.167M
- Principal of \$7,099,170 outstanding on existing debentures (excluding utility debentures)
- Norplex Pool debenture has been paid off through a general reserve transfer
- Total payment of \$1,285,024 included in the 2019 budget
  - \$933,122 principal
  - \$351,902 interest





## Debentures

	Original Balance	Principal Remaining	Annual Payment	Interest rate	Completed in
Rescue Pumper	472,038	211,252	58,198	4.0%	2021
UCN Drive	385,000	161,505	44,155	3.9%	2022
GB Parking Lot	160,000	67,932	20,000	6.9%	2023
TRCC	10,915,000	5,602,334	1,013,210	5.5%	2027
Recreation Projects	660,000	417,859	59,765	4.0%	2027
UCN Drive& Burntwd Sth	990,000	688,788	89,697	4.0%	2028
<b>Total Operating</b>		<b>7,099,170</b>	<b>1,285,024</b>		

# Controlled Entities

- Council directive to controlled entities to utilize surpluses where appropriate.
- Year 6 of the Debt reduction strategy being implemented
  - Thompson Recycle Center \$74,078 annually for 15 years
  - Thompson Zoological Society \$19,214 annually for 10 years



# Controlled Entities

	2019	2018
Thompson Housing Agency	\$50,000	\$50,000
Thompson Public Library	\$237,500	\$237,500
Thompson Zoological Society	\$30,000	\$60,000
Thompson Recycling Center	\$200,000	\$160,000
Thompson Hotel Association	0*	\$400,000

\* Council directive to utilize prior year surplus



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# Community Groups

- The 2019 Plan includes the following contributions to community groups:

	2019	2018
Museum	\$61,500	\$61,500
Homeless Shelter	\$20,000	\$20,000
Curling Club (Insurance)	\$9,000	\$9,000
Humane Society*	\$31,126	\$31,126

\* Fee for service

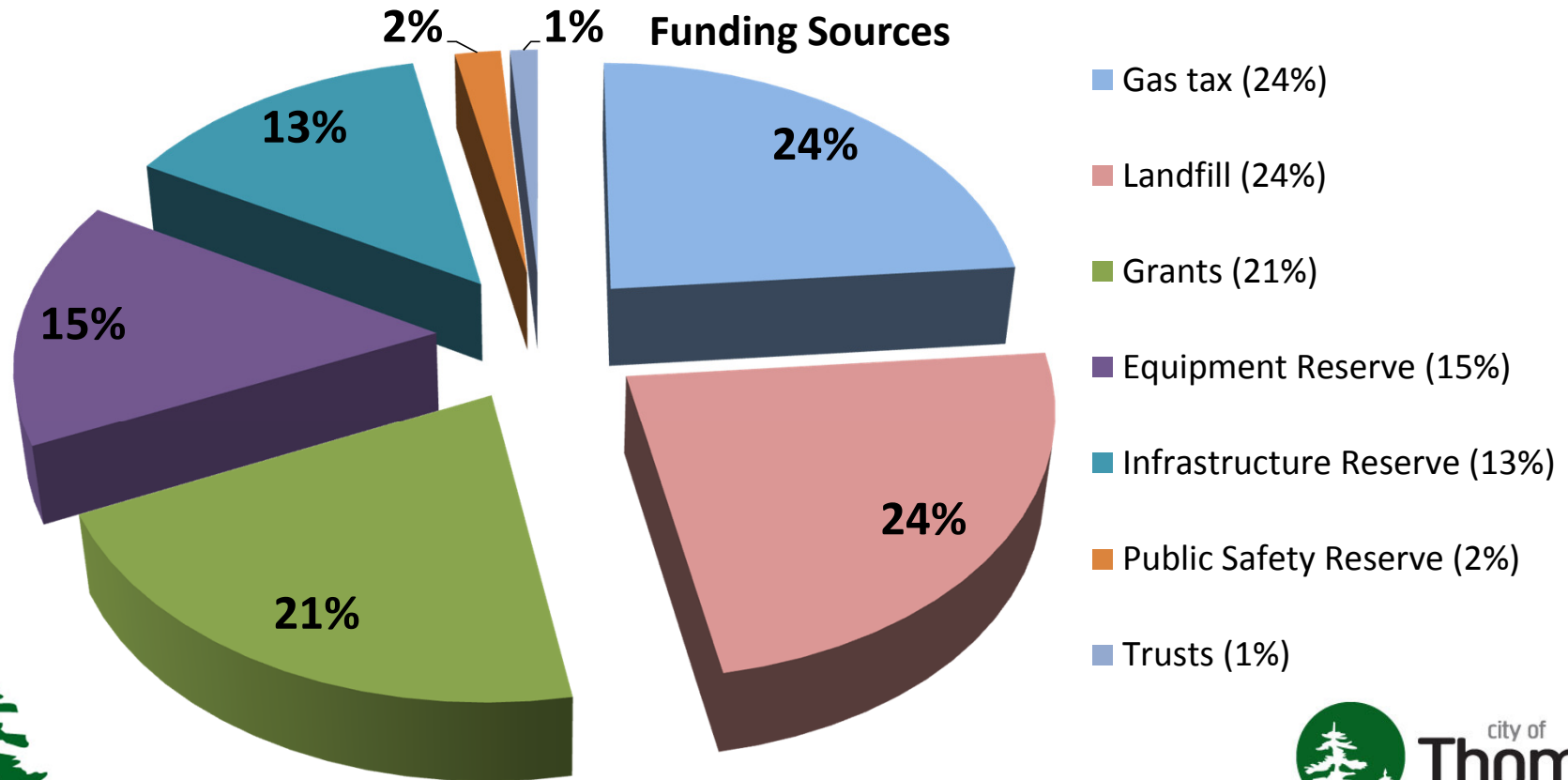


# Capital Funding

- Zero property tax dollars have been required for the purchase of capital for the seventh consecutive year



# Sources of Capital Funding





# Capital Projects

Capital Project	Value	Funding Source
Churchill Drive	\$650,000	Gas Tax Revenues, Municipal Road Grant
Multi Use Path (2.7 km)	\$664,000	Gas Tax. FCM Grant
Replacement of Residential Garbage and Recycle Trucks	\$620,000	Landfill revenues
Transit Bus	\$520,379	Equipment reserve/ PTIF funding
Pool Study and Design	\$500,000	General Reserve
Replacement of 938 Wheel Loader	\$280,000	Equipment Reserve/ Landfill
Splash Pad	\$200,000	Infrastructure Reserve/ Grants
Landfill Leachate Design	\$150,000	Landfill Revenues



# Capital Projects- Cont'd

Capital Project	Value	Funding Source
GeoTech and Road Design	\$75,000	Gas Tax
Heating System- City hall	\$75,000	Infrastructure Reserve
Emergency Operations Center	\$35,000	Public Safety Reserve
Floor Scrubber (TRCC)	\$25,000	Equipment Reserve
Folding Gate	\$17,500	TRCC Trust
Completion of 2018 capital carry-over projects	\$676,855	Reserves, Grants



## Capital Projects- Churchill Drive



## Multi Use Paths- Burntwood Road





## Multi Use Paths- Weir Road



# Debentures

The parameters of the 2019 budget included no additional debentures, which will leave sufficient room for the debt requirements of the waste water treatment plant to be completed in 2019. Pool work will be debentured in future years

- The UCN Drive debenture for projects completed in 2017 /2018 will be taken in 2019
- The WWTP debenture payments will begin in 2020



# Utility

- The PUB approved the 2019 rates through board order 171/18
- 2019 Water rates are set at \$3.42/cubic meter and sewer rates are set at \$1.51/cubic meter
- The 2019 flat fee is \$92.68 (2018 \$135.61)
  - includes 14 cubic meters of water
- The Water Treatment plant was transferred to the City on January 1, 2018. Vale will be charged for actual consumption in 2019



# Utility Capital

The 2019 Capital Expenses include:

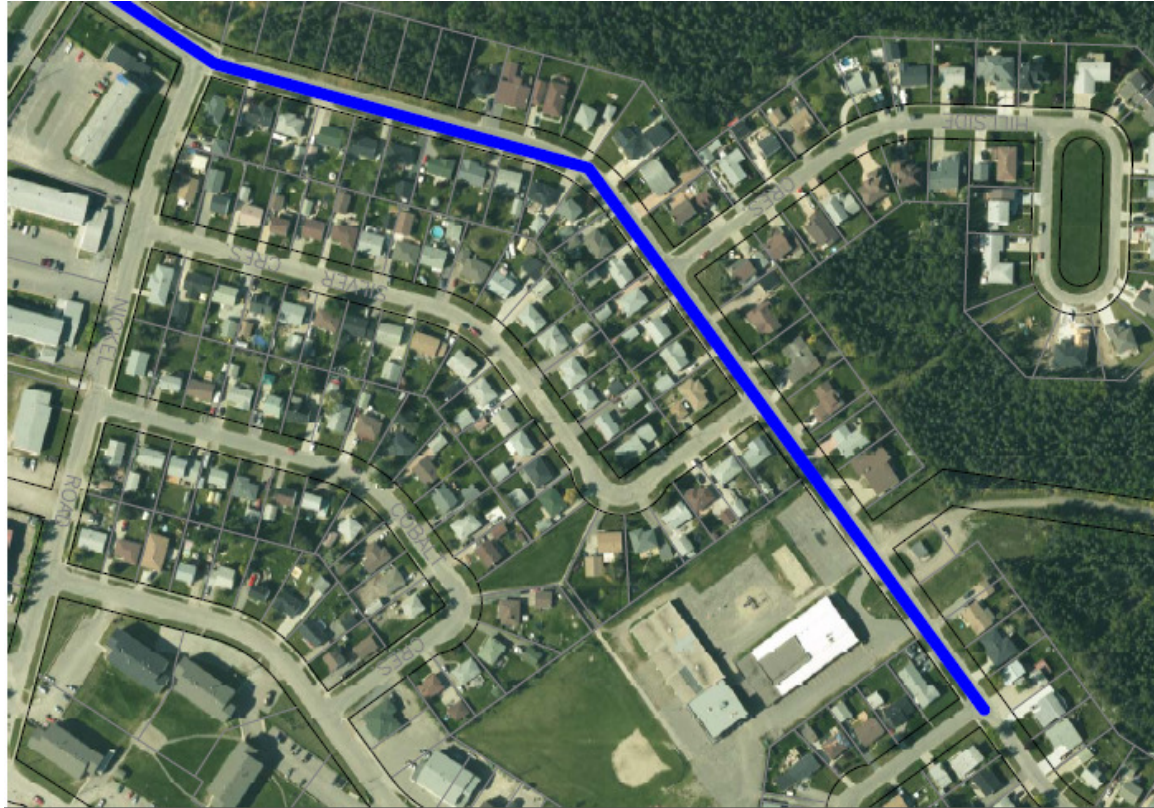
- Waste Water treatment plant
- Watermain and sewer renewals
- Equipment- Vehicles
- Flat bed trailer

\* Additional gas tax revenue due to the doubling of the fund was allocated to watermain renewal project





# 2019 Watermain Capital- Riverside Drive

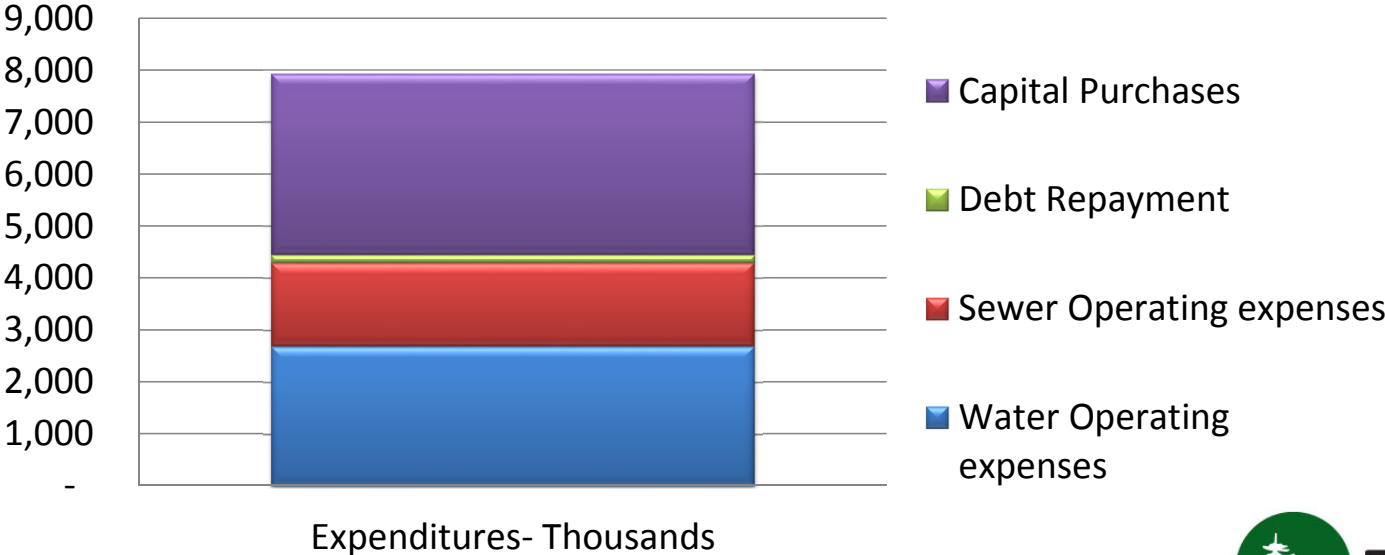


# Utility- Thousands

2019 Revenues - \$7.9 M

2019 Expenses- 7.9 M

Does not include WWTP of \$36.5M.



# WWTP- Financing

<b>Total WWTP City Portion</b>	<b>\$12,167,000</b>	
FCM Grant	\$750,000	
Utility Reserve	\$2,131,948	Leaving 20% in reserve
General Reserve	\$3,478,367	Leaving regulatory requirements in reserve
<b>Total Borrowing Required</b>	<b>\$5,806,685</b>	



# WWTP- What does this mean

Reduction in the borrowing for WWTP impact on proposed rates

Borrowing	Frontage/ Foot	Water Rates
12,167,000	\$.81/ foot	\$.58/ cubic meter
Reduced to:		
5,806,685	\$.39/ foot	\$.28/ cubic meter



# Mill Rate Comparison



# Residential Mill Rate Comparison

	2019 Mill Rate	2018 Mill Rate	Difference
Provincial Education Support Levy	0	0.00	0.00
SDML Levy	18.549	18.624	-0.40%
City of Thompson Levy	22.679	21.807	4.0%
<b>Total Residential Mill Rate</b>	<b>41.228</b>	<b>40.431</b>	<b>1.97%</b>



# Commercial Mill Rate Comparison

	2019 Mill Rate	2018 Mill Rate	Difference
Provincial Education Support Levy	9.770	9.770	0%
SDML Levy	18.549	18.624	-.4%
City of Thompson Levy	22.679	21.807	4%
<b>Total Commercial Mill Rate</b>	<b>50.998</b>	<b>50.201</b>	<b>1.58%</b>





## Tax Result – House Assessment of \$200,000 in 2018 & 2019

	<b>2019 Mill Rate</b>	<b>2018 Mill Rate</b>	<b>Change</b>	<b>% Change</b>
Assessment	200,000	200,000	0	0%
SDML Levy	\$1,669	\$1,676	-\$7	-.40%
City of Thompson Levy	\$2,041	\$1,963	\$79	3.98%
<b>Total Taxes</b>	<b>\$3,711</b>	<b>\$3,639</b>	<b>\$72</b>	<b>1.97%</b>
<i>Provincial Rebate*</i>	<i>\$700</i>	<i>\$700</i>	<i>\$0</i>	<i>0%</i>
<b>Net Taxes</b>	<b>\$3,011</b>	<b>\$2,939</b>	<b>\$72</b>	<b>2.43%</b>

**Portioned Residential Assessment = 45% of assessed value (or \$90,000 taxable)**

\*Applicable on principal residence only



## Tax Result – Commercial Property Assessed at \$1,000,000 in 2019 & 2018

	<b>Based on 2019 Mill Rate</b>	<b>Based on 2018 Mill Rate</b>	<b>Change</b>	<b>% Change</b>
Assessment	\$1,000,000	\$1,000,000	0	0%
Provincial Education Support Levy	\$6,350	\$6,350	0	0%
SDML Levy	\$12,057	\$12,106	-\$49	-.40%
City of Thompson Levy	\$14,741	\$14,175	\$566	4.0%
<b>Total Taxes</b>	<b>\$33,148</b>	<b>\$32,631</b>	<b>\$517</b>	<b>1.58%</b>

# Tax Result – Business Assessment of \$100,000

Business tax rate for 2019 has remained at 2018 levels

<b>2019 Rate</b>	<b>2018 Rate</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
<b>3.99%</b>	<b>3.99%</b>		
\$3,990	\$3,990	\$0	0%

Business assessment reflects the annual rental value of the property the business is occupying



# Special Levies

The 2019 Financial Plan includes revenue from:

- A Special Levy for Water, Storm and Sewer Service Line Maintenance; 2019 amount \$224,046 (estimated at \$69.15 per residence) (2018 amount per residence was \$108.69)
- By-law 1937-2016 was passed by Council on April 11<sup>th</sup>, 2016 for the years 2016-2020





## Tax Result – Including Special Levy

	<b>2019 Mill Rate</b>	<b>2018 Mill Rate</b>	<b>Change</b>	<b>% Change</b>
<b>Total Taxes</b>	<b>\$3,711</b>	<b>\$3,639</b>	<b>\$72</b>	<b>1.97%</b>
<i>Provincial Rebate*</i>	<i>\$700</i>	<i>\$700</i>	<i>\$0</i>	<i>0%</i>
<b>Net Taxes</b>	<b>\$3,011</b>	<b>\$2,939</b>	<b>\$72</b>	<b>2.43%</b>
<b>Special Levy</b>	<b>\$69</b>	<b>\$109</b>	<b>\$-40</b>	<b>-37%</b>
<b>Net Taxes</b>	<b>\$3,080</b>	<b>\$3,048</b>	<b>\$32</b>	<b>1.05%</b>

**Portioned Residential Assessment = 45% of assessed value (or \$90,000 taxable)**

\*Applicable on principal residence only

# What does this mean?

If you own a home with the average assessment of \$200,000 you will pay the following taxes:

<b>City of Thompson</b>	<b>\$2,041</b>
SDML	\$1,669
Total before education tax credit	<b>\$3,711</b>
Less education tax credit	<i>\$700</i>
<b>Total Taxes Payable</b>	<b>\$3,011</b>



# What does this mean?

The amount you pay to the City of Thompson for Property taxes is \$2,041  
In effect you are purchasing the following programs:

	2019	2018
General Government	\$224	\$221
Protective Services	\$780	\$768
Transportation Services	\$415	\$386
Environmental Health Services	\$89	\$66
Public Health and Welfare	\$25	\$25
Environmental Development	\$1	\$1
Economic Development	\$27	\$28
Recreation	\$329	\$319
Debenture Payments	\$149	\$148



# General Government

For an annual amount of \$224 you are paying for:

- Council and Council expenditures
- Administrative functions (City Manager, Finance, HR, IT, Purchasing, Legal fees, Communications)
- Insurance on all City Buildings
- Assessment services
- Elections costs



# Protective Services

For an annual amount of \$780 you are paying for:

- \$598 For RCMP, which includes 38 members plus support staff
- \$106 for fire and ambulance services which operates 24 hrs a day, 7 days a week. It includes 24 Fire Medics, as well as 5 emergency medical dispatchers, auxiliary firefighters, 2 deputies and the Chief.
- \$76 for Community Safety Officers, By-law officers, Animal Control, Building Inspectors





# Transportation Services

For an annual amount of \$415 you are paying for:

- Snow removal on streets and sidewalks
- Repair of streets (Paving and Patching)
- Street cleaning
- Sidewalk and curb repairs
- Street Lighting
- Transit buses and Handivan



# Environmental Health Services

For an annual amount of \$89 you are paying for:

- Garbage Collection
- Recycling Program
- Spring Clean-up program
- Removal of waste in community garbage and recycling cans



# Public Health and Welfare Services

For an annual amount of \$25 you are paying for:

- Cemetery care and maintenance
- Social Assistance payment to the Province of Manitoba



# Economic Development Services

For an annual amount of \$29 you are paying for:

- Development Services Department which deals with all planning and development issues within the City of Thompson and the Thompson Planning District
- Economic Development Officer



# Recreation and Cultural Services

For an annual amount of \$329 you are paying for:

- TRCC – CA Nesbitt Arena, Gordon Beard Arena, Bill Comaskey Wellness Center, walking track
- 3 outdoor rinks, 2 wading pools and splash park
- Tennis courts, skate park, all area parks and dog park
- Ball diamonds, soccer fields
- Millennium trail, brushing program, museum contribution, Thompson Public Library, Thompson Zoological Society (Boreal Discovery Center)



# Debentures

For an annual amount of \$149 you are paying for debt for projects previously implemented within the City:

- TRCC phases
- Park projects- Skate Park, Cliff Park, MacLean Park
- Gordon Beard Parking Lot Paving
- UCN Drive
- Fire Truck



Thank You

